

191—58.6 (505,510) Responsibilities of the insurer.

58.6(1) If an insurer utilizes the services of a third-party administrator, the insurer shall be responsible for determining the benefits, premium rates, underwriting criteria, and claims payment procedures applicable to the coverage.

58.6(2) An insurer must supervise its contracted third-party administrators to ensure that its programs are administered in a competent and appropriate manner.

58.6(3) In cases where a third-party administrator administers benefits for more than 100 certificate holders, subscribers, claimants or policyholders on behalf of an insurer, the insurer shall, at least annually, conduct a reasonable review of the operations of the third-party administrator. If a third-party administrator has an independent party conduct a review of the third-party administrator's operations and has provided that review to the insurer, and the insurer has determined that the review was reasonable for purposes of this subrule, the review may, at the discretion of the division, meet the requirement of this subrule.

58.6(4) The requirements of rule 191—58.6(505,510) also apply to any insurer that contracts with a person exempt from licensure, pursuant to the exceptions set forth in subrule 58.3(1), to act as a third-party administrator.

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